

**Subpart A—General****§ 305.1 Purpose and scope.**

The purpose of the Public Works Program is to assist communities with the funding of public works and development facilities that contribute to the creation or retention of primarily private sector jobs and alleviation of unemployment and underemployment. Such assistance is designed to help communities achieve lasting improvement by stabilizing and diversifying local economies and by improving local living conditions and the economic development of the area. Alleviation of unemployment and underemployment among residents of the project area is a primary focus of this program.

**§ 305.2 Applicants.**

Eligible applicants under this program include:

- (a) States, or political subdivisions thereof;
- (b) American Indian tribes;
- (c) The Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands; and
- (d) A private or public non-profit organization or association representing any redevelopment area or part thereof, provided the EDA project is located within an eligible EDA area represented by such non-profit organization or association.
- (e) When the applicant is not a State, American Indian tribe or other general-purpose governmental authority, the applicant must afford the appropriate local governmental authority of the area a minimum of 15 days in which to review and comment on the proposed project. The applicant shall furnish with the application a copy of such comments, or a statement of the efforts made to obtain them together with an explanation of the actions taken to address any comments received.

**§ 305.3 Eligibility requirements.**

- (a) Other than those areas designated under PWIP, applicant areas, including Special Impact Areas (SIAs) must have

a current EDA approved Overall Economic Development Program (OEDP).

- (b) Political entities claiming eligibility under OEDPs developed by multicounty economic development organizations are expected to continue to participate actively in the organization.

- (c) Non-profit organizations or associations must meet the following requirements:

- (1) Such non-profit organizations or associations must represent a redevelopment area or part thereof, if EDA determines that such applicant is potentially capable of furthering the objectives of the economic development program of the area in which it is located;

- (2) To the extent possible, non-profit applicants are urged to seek the cooperation and support of units of local government; and

- (3) When deemed appropriate by EDA, have the local government as co-applicant for EDA assistance. This ensures the financial stability and continuity of the project in the event that the non-profit entity finds itself in a position of not having the financial resources to administer, operate, and maintain the EDA assisted facility in a proper and efficient manner consistent with the provisions of part 314 of this chapter.

**§ 305.4 Project requirements.**

- (a) Public works projects other than PWIP projects must meet the following requirements:

- (1) Be consistent with the EDA approved OEDP for the area in which it is or will be located, and have broad community support;

- (2) Improve opportunities for the successful establishment or expansion of industrial or commercial facilities in the area where such project will be located;

- (3) The project will not result in the increase of goods or services beyond the demand for such goods or services existing or to be created in the market area;

- (4) The project fulfills a pressing need of the area or part thereof, in which it is located;

- (5) There is adequate local matching share; and

(6) The project benefits the long-term unemployed and members of low-income families who are residents of the area to be served.

(b) PWIP projects must create immediate useful work for the unemployed and underemployed residents in the project area.

**§ 305.5 Selection process.**

Projects will be selected in accordance with § 304.1 of this chapter.

**§ 305.6 Evaluation criteria.**

In addition to and/or as an elaboration of the evaluation criteria set forth in part 304 of this chapter of this chapter and to the extent practicable, evaluations are made on the basis of whether the proposed project:

(a) Assists in creating or retaining private sector jobs (primarily in the near term) and assists in the creation of additional long-term employment opportunities (provided the jobs have not been transferred from another commuting area of the United States) and will result in low costs-per-job in relation to total EDA costs, evidenced for example by:

- (1) Commitments to create such jobs;
- (2) Marketing; and
- (3) Financial capabilities of the applicant.

(b) Is supported by significant private sector investment.

(c) Maximizes the amount of local, state or other Federal funding that is available.

(d) Is likely to be started and completed in a timely fashion.

(e) If located in an EDC with a stable economy and little distress, an employment plan is required that explains how new employment opportunities for residents of nearby highly distressed redevelopment areas will be provided.

(f) To the extent possible, factors that will be considered in the evaluation of PWIP projects include whether the proposed project:

(1) Improves the economic or community environment in areas of severe economic distress;

(2) Includes an acceptable plan for hiring the unemployed and underemployed from the project area to work on construction of the project;

(3) Assists in providing long-term employment opportunities or other economic benefits for the unemployed and underemployed in the project area;

(4) Primarily benefits low-income families by providing essential community services, or satisfying a pressing public need;

(5) Involves construction which can be started (normally within 120 days after affirmation of the award), and completed quickly (normally within one year) preferably without early construction start; or

(6) Has significant labor intensity (i.e., the proportion of labor costs to the total project costs).

**§ 305.7 Award requirements.**

(a) Projects are expected to be completed in a timely manner consistent with the nature of the project. Normally, the maximum period for any financial assistance that is provided shall be not more than 5 years from the end of the fiscal year of the award.

(b) Matching Requirements are as follows:

(1) EDA may provide direct grants not to exceed 50 percent of the estimated cost of the project;

(2) Under certain circumstances supplementary grants to augment the direct grant may be provided up to a maximum of 80 percent of the eligible project costs, though waivers may be permitted in accordance with Section 101(c) of the Act. Supplementary grant assistance to finance over 50 percent of the project costs will be approved by EDA only for projects in areas of high distress. Decisions on such supplementary grant assistance will be based on the nature of the project, the amount of fair user charges or other revenues the project may reasonably be expected to generate, and the relative needs of the area;

(3) Applicants are required to provide the local share from acceptable sources;

(4) The local share need not be in hand at the time of application; however, the applicant must assure EDA that such share is committed and will be available at the time the award is accepted; and